

# NEWS RELEASE

## Office of Attorney General Terry Goddard



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## Goddard announces new tobacco legislation

(Phoenix, Arizona—May 23, 2003) Attorney General Terry Goddard announced today that Arizona has joined the growing number of States that have adopted legislation designed to aid the enforcement of state "model escrow statutes." These statutes were enacted as a consequence of the 1998 tobacco Master Settlement Agreement (MSA) between numerous States and the major United States tobacco manufacturers. Under the MSA, Arizona receives millions of dollars each year from participating tobacco companies, which is used to fund the Arizona Health Care Cost Containment System.

According to General Goddard, SB1310, signed by Governor Napolitano earlier this week, "will give Arizona valuable tools in the enforcement of its model escrow statute, which will in turn safeguard Arizona's payments under the Master Settlement Agreement and the public health."

SB1310 requires the Attorney General to establish a Directory of Cigarettes (including roll-your-own tobacco) approved for stamping and sale in this State and to publish the Directory on the Attorney General's website. Upon publication of the Directory, it will become unlawful for any person to affix a stamp to a package or other container of cigarettes of a tobacco product manufacturer or brand family not included in the Directory. As well, no person may sell, offer or possess for sale, in this State, cigarettes of a tobacco product manufacturer or brand family not included in the Directory. The new law provides civil and criminal penalties for failure to comply. It also requires licensed tobacco distributors to submit reports to the Department of Revenue concerning their sales of cigarettes subject to the law and to maintain certain records for a period of five years.

The Directory will be published on the Attorney General's website not later than August 18, 2003, whereupon the prohibition against stamping and sales will go into effect. For a tobacco product manufacturer to have its name and brand families included in the Directory, it must meet all applicable requirements set forth in SB1310.

For the year 2003, the tobacco product manufacturer Certification will be due not later than July 3, 2003. Failure to fully and timely comply with the statute will prevent and/or delay a tobacco product manufacturer from being included in the Directory.

The Certification form to be used by tobacco product manufacturers is available upon request from the Attorney General's Office by calling (602) 542-7757 or (602) 542-7761.